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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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CALIFORNIA COOPERATIVE AGAIN BREAKS SALES RECORD

For the fourth year in succession citrus sales records have been broken by the California Fruit Growers Exchange, Los Angeles. F. o. b. California returns to members of the Exchange were \$70,236,507 for the 1924-25 season, which figure was \$11,000,000 more than the best record for any previous season. Returns for the following season showed a gain of half a million dollars. F. o. b. returns for 1926-27 were in excess of \$85,000,000, and for 1927-28 they amounted to \$96,582,408 -- the largest amount so far reported by any cooperative in the United States.

Not so many boxes of citrus fruit were shipped during the 1927-28 season as in the preceeding year when a record was made in the matter of quantity of fruit sent to market. The detailed figures showing the growth of the Exchange, as measured by quantity of fruit handled and by f. o. b. sales for the past 13 years, are given below:

Season	Exchange shipments			F. o. b. returns
	Oranges and grapefruit*	Lemons	Total	
	(Boxes)	(Boxes)	(Boxes)	
1915-16	9,694,288	2,407,452	12,101,520	\$27,675,923
1916-17	12,835,804	2,656,536	15,492,340	33,478,131
1917-18	6,452,896	2,191,281	8,644,177	36,291,675
1918-19	11,126,985	3,728,110	14,855,095	54,627,557
1919-20	12,371,230	3,452,534	15,823,764	58,968,389
1920-21**	15,390,105	4,175,239	19,565,344	56,905,877
1921-22	8,121,080	3,496,223	11,617,303	48,445,644
1922-23	14,645,070	3,212,347	17,857,417	55,271,975
1923-24	14,800,069	4,588,211	19,388,280	50,508,184
1924-25	11,967,715	4,176,677	16,144,392	70,236,507
1925-26	15,485,011	4,819,724	20,304,735	70,744,727
1926-27	17,815,858	4,450,764	22,266,612	85,295,840
1927-28	15,085,652	4,407,585	19,493,237	96,582,408

* Including a few tangerines.

** Fourteen months due to change of close of fiscal year from August 31 to October 31.

The quantity of grapefruit included in the total shipments for the past four years was approximately as follows: 1924-25 season, 153,800 boxes; 1925-26, 217,100 boxes; 1926-27, 284,100 boxes; 1927-28, 328,000 boxes.

Shipments to Europe were somewhat smaller than in preceding years because of the demand for citrus fruit at home. However, the management continued its policy of shipping enough Sunkist fruit to supply the trade already established. Exports to Europe for the past five years have been as follows: 1923-24, 62,764 boxes; 1924-25, 32,315 boxes; 1925-26, 216,969 boxes; 1926-27, 490,054 boxes; 1927-28, 222,114 boxes.

Trans-Pacific shipments for the 1927-28 season amounted to 212,900 boxes, compared with 203,200 boxes in the preceding year.

Costs of marketing, exclusive of advertising, are reported by the management as 8.34 cents a box. Of this amount 6.85 cents was for the central exchange and 1.49 cents for the district organizations. The total cost was but 1.68 per cent of the 1927-28 f. o. b. returns.

A deduction of 5 cents a box for oranges and grapefruit and 10 cents a box for lemons was made for the national advertising campaign conducted by the Exchange. More than \$10,000,000 has been expended in behalf of Sunkist fruits during the last 21 years and the advertising and merchandising appropriation now amounts to more than a million dollars a year.

The 1927-28 advertising campaign included national magazines, street cars and newspapers. Advertisements were carried in 15 national magazines with a total of 159,000,000 copies, and reaching 37,000,000 homes. Four basic ideas were presented: orange foods, lemon foods, lemon hair rinse, and acidosis.

According to the management, every other street car in the United States and Canada, with the exception of the states of California and Florida, carried an Exchange advertising card continuously from November to April.

There was a spring and summer newspaper campaign which included 132 papers in 116 cities, and approximately 127,000,000 advertisements were carried to 16,000,000 people. A grapefruit campaign was conducted on the Pacific Coast. There was also a Christmas campaign in San Francisco and Oakland for oranges. A radio dinner campaign was conducted for 16 weeks.

In addition to the campaigns in behalf of increased consumption of Sunkist fruit, a campaign directed toward increased membership in the Exchange units was conducted through 96 newspapers in 80 citrus producing communities.

The plants for transforming cull oranges and lemons into by-products did not operate to full capacity owing to reduced production.

The Fruit Growers' Supply Company also operated on a reduced schedule. However, its sales for the year ending with October 30 were \$9,658,929. During the 21 years that the company has been in operation it has furnished supplies to the value of \$110,414,000 and has returned to growers, in refunds or otherwise, \$4,050,413.

LOW OPERATING EXPENSES OF ILLINOIS ELEVATOR

With expenses amounting to less than \$10,000 the Ocoya Cooperative Grain Company, Ocoya, Ill., handled business to the amount of \$414,027 during the year ending June 30, 1928. Nearly half a million bushels of grain was sold, as follows: corn 361,191 bushels; oats, 126,297 bushels; barley, 2,850 bushels; and wheat, 2,132 bushels. Side-line sales included: sand and gravel, \$654; lumber, \$6,716; merchandise, \$14,377; coal, \$7,134; cement, \$1,230.

Gross exchange by the association amounted to \$13,961 from which was deducted operating expenses of \$9,123, leaving \$4,838 as net earnings for the year. Expenses were but a trifle over 2 per cent of gross sales. At the close of the business year the association had a net worth of \$61,193.

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SOUTH DAKOTA WHEAT POOL REPORTS FOR 1927-28

During its 1927-28 season the South Dakota Wheat Growers' Association, Aberdeen, S. Dak., handled a total of 2,063,093 bushels of wheat for its members and paid them therefor the sum of \$2,160,240. This grain was handled in two pools, designated as winter and summer pools.

Expenses of operating the offices of the association totaled 2.92 cents per bushel. Of this, 2.22 cents was for the Aberdeen office and 0.07 cents for the terminal office in Minneapolis. As the regular commission charged by commission houses is 1½ cents a bushel, the manager figures that the services of the pool for the year have cost the members only 1.42 cents per bushel. In return for this charge the association received the wheat in the fall when prices were lower than later, made substantial advances, supervised the financing, storing, and marketing throughout the year, and secured premiums which it returned to the growers. The management estimates that the association has paid its members more than they would have received without an association.

Premiums ranging from 5 to 14 cents a bushel were paid at premium points, according to the protein and milling value.

Average prices for the winter and summer pools of the different varieties, basis Minneapolis, are given as follows:

	<u>Winter pool</u>	<u>Summer pool</u>
No. 1 dark northern spring.....	\$1.279	\$1.328
No. 1 northern spring	1.259	1.308
No. 1 amber durum	1.179	1.228
No. 1 durum	1.139	1.188
No. 1 red durum	1.099	1.168

GRAIN ASSOCIATION OPERATES TWO ELEVATORS

Two farmers' elevators are operated by the B. and B. Farmers' Co-operative Elevator Company. These houses are located at Boody and Blackland, Ill. The Boody house handled 126,888 bushels of grain during the last business year, also 50,000 bushels of soy beans, and 1,125 tons of coal, and earned \$94.92 on operations. The Blackland plant handled 113,897 bushels of grain, 100,000 bushels of soy beans, and 650 tons of coal, earning \$1,336. Gross sales for the two houses were \$216,222, and total expenses were \$10,045, which amount was less than 5 per cent of sales.

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A WISCONSIN COOPERATIVE STORE AND ELEVATOR

A store and a grain elevator are operated by the Clintonville Co-operative Merchantile Company, Clintonville, Wis. The two departments are operated very largely as independent enterprises, each standing on its own feet. Separate financial statements are submitted to the stockholders, also a combined statement. On December 31, last, the combined capital stock of the two enterprises amounted to \$41,200, divided as follows: store, \$26,450; elevator, \$14,750. There was a surplus at the end of the year for the store of \$9,224, and a surplus for the elevator of \$556. The net worth of the two was \$50,980.

Gross sales as reported for various years since 1918, are as follows:

Year ending Oct. 31	Sales		
	Store	Elevator	Total
1919	- - -	- - -	\$143,183
1920	- - -	- - -	180,222
1921	\$128,468	\$57,213	185,682
1924	110,346	24,640	134,986
1925	116,903	27,553	144,456
1926	119,970	34,019	153,989
1927	125,430	54,585	180,035

The store handles general merchandise, also butter and eggs, and the elevator in addition to handling grain, sells feeds, flour, bran, coal, and similar commodities. The association was organized in 1917 and on January 1, 1928, had 350 stock holders.

FOUR YEARS OF COOPERATIVE GRAIN MARKETING

Nearly 50,000,000 bushels of wheat and more than 30,000,000 bushels of coarse grains--barley, oats, rye and flax -- have been marketed through the Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, since it began operating on September 2, 1924. During the 1927-28 season, for which a report is now available, more than 17,300,000 bushels of grain was handled, of which quantity 11,194,330 bushels was wheat.

The fifth annual meeting of the association, held at Brandon, Man., beginning November 6, continued for three full days. Of the 366 accredited delegates to the meeting 342 were in attendance. Because of the consideration given by local associations to the matters to be brought before the delegates, the business of the meeting was disposed of to the satisfaction of nearly all the delegates, as is evidenced by their votes. The reports of the board of directors and of the auditors were considered in detail.

The quantity of grain handled the past season and the three preceding seasons, as reported by the association management, is as follows:

Season	Wheat (Bushels)	Barley (Bushels)	Oats (Bushels)	Rye (Bushels)	Flax (Bushels)	Total (Bushels)
1924-25*	8,444,000	- - -	- - -	- - -	- - -	8,44,000
1925-26	12,472,786		1 3, 7 2 8.	7 2 9		26,201,515
1926-27	16,196,342	9,466,325	2,159,165	935,219	405,260	29,162,311
1927-28	11,194,330	4,714,156	639,374	578,257	251,414	17,377,531

* Began operating September 2, 1924.

The reduced quantities of grain marketed the past season are accounted for by a much smaller crop than normal. Usually wet weather at various times during the growing and harvesting seasons and an undue amount of rust greatly reduced the grain crop. The oat crop was almost a total failure.

The smaller volume of business caused an increase in the per bushel cost of operating the association. According to the report of the auditors, the pool overhead expenditures for the year was 1.811 cents a bushel compared with 0.303 cents the preceding year. However, there had accumulated a surplus in the marketing of the 1926 crop which was applied to the 1927 crop reducing the amount required for operating costs to 0.959 cents a bushel.

The overhead expense for the 1928-29 marketing season is to be met on the basis of one-half by the association, one-third by the country pool elevators, and one-sixth by the pool terminal elevators.

Net earnings from the terminal elevators handling Manitoba pool grain, amount to \$220,243 for the past year. Of this amount \$119,666 was distributed to the local associations, \$22,522 to the terminal elevator at St. Boniface, \$1,038 to local farmers' elevator companies, and \$77,023 was applied toward the overhead expense of the pool.

The membership of the pool was reported as \$18,628 at the close of the business year. August 31, 1928. These members represented 31,146 live contracts for wheat and coarse grains. By the first of October the number of active members had increased to 20,179.

Members are organized in local elevator associations and in local loading associations. There were 141 of the former and 75 of the latter at the close of the fiscal year. These local associations are scheduled to meet monthly to discuss matters relating to the operation of the pool and the elevator company. Resolutions adopted by locals are forwarded to the board of directors of the provincial association for consideration and action.

Fifty-eight country elevators were operated by the Manitoba Pool Elevators, Ltd., during the 1927-28 season. In addition a terminal elevator at St. Boniface was acquired and operated for the last eight months of the business year. The country elevators handled 6,914,893 bushels of grain, which was an average of 119,222 bushels per house. The terminal elevator was purchased largely for the purpose of conditioning grain and handling seed grain and feed. During the time that it was in operation by the pool it handled 124 cars of seed and 75 cars of feed grain besides many cars of grain moving toward the eastern markets.

Eighty-five more country elevators will be under the control of the grain producers during the 1928-29 season than during the last business year. Most of these houses have been newly erected. Furthermore, the pool elevator company has purchased the No. 1 terminal at Port Arthur, and has leased for five years the No. 2 terminal elevator at Fort William.

The greater part of the capital necessary for the elevator program came from the elevator and commercial reserves which are considered as interest-bearing loans by the members. The deductions for reserves for the four years of operation are as follows:

Marketing season	Elevator reserves	Commercial reserves	Total
1924-25	\$ 189,895	\$ 130,626	\$ 320,521
1925-26	379,622	85,488	456,110
1926-27	512,431	306,017	818,448
1927-28	304,356	180,917	485,273
Total	\$1,386,304	703,048	\$2,089,352

CHEESE AND BUTTER COOPERATIVE IN IDAHO

Although started in 1915 as a creamery the Malad Valley Creamery Co., Malad, Idaho, now produces about seven pounds of cheese to one of butter. In addition to making and marketing butter and cheese the association handles a few eggs for its members. Total sales of farm products were \$116,386 for 1927. On January 1 last, there were 180 stock holders. About 225 farmers, however, were given marketing service.

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HALF MILLION POUNDS BUTTER ANNUALLY

More than one-half million pounds of butter is being made annually by the Farmer's Cooperative Creamery Co., Elizabeth, Ill. The figures for the last seven years are as follows: 1921, 329,182 pounds; 1922, 356,917; 1923, 418,095; 1924, 474,260; 1925, 561,400; 1926, 622,321; 1927, 566,089. A total of 1,650,565 pounds of cream was received in 1927 and the total sales for the year were \$241,584. The greater part of the annual output of the creamery is sold through commission houses. The average price paid patrons for butter fat for 1927 was 49.66 cents.

The association was organized April 11, 1914. At the beginning of 1928 it had 100 stockholders and was furnishing marketing service to 269 dairymen. It has outstanding capital stock of \$10,000 on which it pays dividends not to exceed 10 per cent.

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PROMPT PAYMENT TO MEMBER CREAMERIES

By means of telegraphic transfers of money the Land O'Lakes Creameries, Inc., Minneapolis, is able to make quick returns to its member creameries for sales of butter and cream. The association has offices in Minneapolis, Duluth, Chicago, Boston, New York, and Philadelphia, and banking connections at each of these points. Buyers send their remittances for butter to the branch office in their own territory where the checks are deposited, the Minneapolis office advised by wire and the money transferred to Minneapolis for use the same day in meeting drafts drawn by member creameries and in making advances to member creameries. In this way the money received from the sale of butter and cream is paid to the local creameries with the minimum of delay.

Some 20 creameries within a radius of 20 to 80 miles of Minneapolis are sending their sweet cream to Minneapolis where it is pasteurized, standardized to exactly 40 per cent test, and shipped to eastern markets in 10-gallon cans, arriving in excellent condition at such points as Boston, Springfield, Philadelphia, and even Jacksonville, Fla., where it is used as table cream. Twenty-one cars were shipped during the first week of November, also about 3 cars of frozen cream in 5-gallon cans.

MISSISSIPPI FARMERS SHIP TURKEYS COOPERATIVELY

With the assistance of the Agricultural Service Department of the Mississippi Agricultural College, tenant farmers in Oktibbeha County, Miss., have marketed turkeys cooperatively. A car of turkeys was shipped to the northern markets in time for the Thanksgiving trade. Net returns of about \$6,000 were distributed in amounts of from \$20 to \$100 among many families according to the number of turkeys included in the shipment, which varied from six to twenty and thirty per shipper. There was almost no local demand for these turkeys and the returns received because of united action will be of material assistance in aiding the shippers to meet the expenses of the winter season.

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TEXAS ASSOCIATION MARKETS EGGS AND POULTRY

Sales by the Southwestern Poultry Association, Brownwood, Tex., amounted to \$123,641 for the 12 months ending December 31, 1927. The items making up the total were: eggs, 5,233 cases, \$34,409; chickens, 53,869 pounds, \$11,065; turkeys, 219,814 pounds, dressed weight, \$78,167. This association began operating in June of 1924, handling eggs and dressed turkeys. In January of 1925 it undertook to market chickens also. The organization started with 200 members and is now serving about 400 producers. Sales for the three years 1925 to 1927 were as follows: 1925, \$82,401; 1926, \$99,102; 1927, \$123,641. The egg sales amounted to \$102,317, the chicken sales to \$32,009, and the turkey sales to \$170,818.

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NEW ZEALANDERS ORGANIZE FOR MARKETING EGGS

Poultry producers in the South Auckland district of New Zealand have formed the Egg Cooperative, Ltd., through which they expect to market the eggs laid by 260,000 hens. Producers are to take share capital in proportion to the quantity of eggs delivered to the organization, the capital being paid for by deductions from returns due members. Plans provide that neither interest nor dividends shall be paid on share capital but that those who hold fully paid-up shares are to receive a slightly higher return than other members. The association will supply crates for the use of its members and on receiving the eggs will grade them into A's and B's and will make higher returns for the firsts than for the seconds. At first the eggs will be sold on the local markets. Arrangements are also being made to purchase poultry feeds collectively.

ASSOCIATION HANDLES MILLIONS OF EGGS

During the four years that it has been operating, the Connecticut Poultry Producers, Inc., New Haven, has marketed for its members 29,457,096 eggs for \$1,122,920. This is an average price for the four-year period of more than 4½ cents an egg.

When the association began operating on October 3, 1924, it had 124 charter members with about 70,000 hens. At the end of the first year the number of members was 136, with 75,000 birds. At the end of the second year there were 160 members with 80,000 birds; at the end of the third, 207 members with 90,000 birds; and at the end of the fourth, 213 members with 103,000 birds.

The growth of this producer-owned cooperative enterprise as measured by number of eggs handled, gross sales, association income, and net earnings, is indicated by the following figures:

Business year*	Eggs handled (Dozens)	Gross sales	Assn. income	Assn. expense	Assn. earnings
1924-25	448,274	\$214,317	\$24,187	\$27,863	**\$3,676
1925-26	527,251	250,721	25,398	24,041	1,357
1926-27	680,308	292,457	29,806	27,915	1,891
1927-28	798,925	365,424	36,914	32,937	3,977

* Ending the latter part of September.

** Deficit.

Handling costs for the four years are reported by the management as follows: 1924-25, 5.7 cents per dozen; 1925-26, 4.8 cents; 1926-27, 4.1 cents; 1927-28, 4.1 cents.

Average prices to producers for the several years are given as follows: 1924-25, 47.8 cents per dozen; 1925-26, 47.7 cents; 1926-27, 43.1 cents; 1927-28, 45.8 cents.

During the last business year 40 members withdrew from the association and 54 egg producers were added to the membership. The most of the withdrawals, it is stated, were because of farmers going out of the egg producing business.

Several stations are operated by the association and at each of these there is a salesman, a candler, and an assistant candler. Trucks are operated between stations.

At the close of the fourth business year the association had a net worth of \$15,428, largely made up of membership fees, reserves and operating surplus.

LIMESTONE BOUGHT COOPERATIVELY BY ILLINOIS FARMERS

More than 4,000 car loads of limestone were sold through Illinois farm bureaus up to October 1, according to a recently published report by the Illinois Agricultural Association, Chicago. This limestone was purchased largely by 22 companies operating under agreements with the state organization. A refund of \$14,866 was made to the various county organizations.

Large quantities of ground rock phosphate from Tennessee were also handled through the Illinois Agricultural Association and affiliated county farm bureaus.

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COOPERATION IN WESTERN NORTH CAROLINA

Among the recent efforts along cooperative lines by the Farmers' Federation, Inc., Asheville, N. C., is the establishment of the Western North Carolina Cannery at Hendersonville. The cannery began operating on July 12, 1928, and continued until the close of the canning season, October 10. Among the products handled were beans, peaches, apples, tomatoes, and berries. The plant was established to furnish the farmers of western North Carolina a market for products difficult to market through the regular channels of trade. In commenting upon the cannery activities the manager of the Farmers' Federation said recently, "It (the cannery) has given the farmers as assurance they did not have heretofore and has inspired them to a loyal cooperation."

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SIX YEARS OF MISSOURI PRODUCE EXCHANGE

The Farmers' Produce Exchange, Inc., St. James, Mo., one of the member units of the Missouri Farmers' Association, handles all kinds of farm produce except grain and livestock. Its steady expansion during the past six years is shown by the following table:

Year	Sales	Expenses		Net income	
		Amount	Per cent	Amount	Per cent
1922	\$283,157	\$11,426	4.0	\$13,978	4.9
1923	329,036	13,268	4.0	12,193	3.7
1924	509,842	18,148	3.6	14,739	2.9
1925	619,338	18,235	2.9	25,068	4.0
1926	723,585	20,577	2.8	29,666	4.1
1927	780,690	30,123	3.9	26,364	3.4

COOPERATION GAINS IN POLAND

The Republic of Poland has recently published figures regarding the cooperative societies of that country in 1925 and 1926. A special effort was made to determine the correct number of societies, with a resultant total of 10,143 on January 1, 1927. Among these were 4,202 consumers' societies; 3,364 credit societies; 390 societies for the sale of agricultural produce; 776 egg, dairy produce, and cattle rearing societies; 53 agricultural industrial societies; and 27 other agricultural societies. During 1926, 1,551 organizations were formed and 113 were liquidated.

Statistics are available for 5,610 societies or 83 per cent of the 6,787 affiliated with the auditing unions. These 5,610 societies in 1925 had a membership of 1,894,572, or an average of 393 per society. Turnover of 2,719 trading societies for the 1925 year amounted to more than \$40,000,000. This figure does not include the credit societies.

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COOPERATION IN HUNGARY IN 1927

"At no time in the past 30 years has cooperation aroused so much general interest (in Hungary) as to-day," states a writer in the Review of International Cooperation. In the press and in public meetings cooperation is the subject of animated discussions. A bill for a new cooperative law has been drafted and is now undergoing a process of criticism and suggestion. Friends of the movement hope the proposed law will settle the question of agricultural credit and safeguard the interests of the societies.

The "Hangya," the cooperative wholesale society and alliance of Hungarian farmers, is now in its thirtieth year. Its annual report for 1927 mentions a disappointing year due to a light harvest, export difficulties, and a tension in the money market which resulted in lower credits and higher rates of interest. However, the turnover of Hangya increased from \$2,400,000 in 1926 to more than \$2,700,000 in 1927, and most of the societies closed the year satisfactorily.

The 1927 operations resulted in net earnings of nearly \$17,000. Of this amount \$13,300 was distributed as interest on paid-up capital at the rate of 5 per cent; \$2,535 was allotted to the fund for depreciation; and \$62 was carried forward. The Hangya has paid-up capital to the amount of \$357,500; reserve capital of \$47,400; depreciation fund of \$3,900; and pensions fund of \$83,700.

A proposal to establish a Pension Institute for employees of Hangya is to be presented at the next annual meeting. The recent report gives much credit to the faithful work of employees and expresses the belief that such a social institution would further encourage workers to promote the interests of the society.

STATUTORY CLASSIFICATION BASED ON COOPERATION IS CONSTITUTIONAL

Under the law of Oklahoma a commercial cotton gin may be established only if the Corporation Commission of the state finds that necessity therefor exists, but if 100 citizens and taxpayers in the community where the proposed cotton gin is to be located present a petition showing that the gin is to be run cooperatively, the Corporation Commission "shall issue a license for said gin." In other words, if such a petition is presented the Corporation Commission must then automatically issue the license.

In the case of *Frost v. Corporation Commission et al*, 26 F (2d) 508, Frost brought suit against the Corporation Commission and the Durant Cooperative Gin Company to prevent the issuance by the Commission of a license to that cooperative company to operate a cooperative cotton gin at Durant, Oklahoma. Frost challenged the constitutionality of the provision in the Oklahoma law making it mandatory on the Corporation Commission to issue a license to those who propose to operate a cotton gin cooperatively. He claimed that it violated the equal protection clause of the 14th amendment to the Federal Constitution. The court held that: "A gin 'to be operated cooperatively' is a classification different from the ordinary commercial gin for which an adjudication of necessity therefor is required. Such class acting in such a cooperative way in ginning and marketing their own agricultural products in preparing their own cotton and seed and products thereof for market, is a reasonable classification and not violative of the Fourteenth Amendment."

The court referred to the fact that the Supreme Court of the United States in the case of *German Alliance Insurance Company v. Lewis*, 233 U. S. 389, upheld a Kansas statute which distinguished between farmers' mutual insurance companies and those operated on a commercial basis.

Another interesting example of classification is that contained in the Federal Trade Commission Act, an act which condemns unfair competition in interstate or foreign commerce, but which exempts banks therefrom.

In the case of the *Crescent Cotton Oil Co. v. Mississippi*, 257 U. S. 129, the Supreme Court of the United States upheld a statute of the State of Mississippi which forbade corporations from operating both cotton oil mills and cotton gins, but which permitted the operation of either by any corporation. The Supreme Court of the United States has said: "A legislative classification may rest on narrow distinctions."

L. S. Hulbert

USE OF SURVEYS IN TEACHING AGRICULTURAL COOPERATION, No. 4

Earlier articles in this series have outlined the use of surveys in determining the need for a cooperative association and in ascertaining whether or not a particular cooperative is soundly organized. A further test of the probable success and usefulness of an association is to be found in the relationship and attitude of the members toward their organization. In brief, what guidance and support do the members give their association? As a corollary to this question, to what extent does the management invite or make possible the proper kind of membership guidance and support?

An analysis of these factors by an agricultural teacher should not only give added interest to his class work in agricultural cooperation, but may prove to be a real service to the associations studied and the farmers of the community. The following outline covers the principal points regarding which information should be obtained:

1. To what extent are members informed regarding the business of the association? It should be appreciated that it may not be advisable to make public, complete information regarding an association's business during the marketing season. An association, for example, might be placed at a disadvantage if its competitors should learn what prices it is quoting, what supplies it has on hand, or in what markets it is making sales. There is little information, however, regarding an association's business that can not be given the members at the close of the season. The members are entitled to sufficient information to enable them to understand the policies and problems of the association and to measure the progress it is making. Such information should be included in the annual report of the manager and should be the principal topic of discussion at the annual meeting.

2. Do members have an opportunity to discuss important changes in policy prior to their adoption? Directors of successful associations understand that they must have the confidence and support of the members. Therefore, they do not arbitrarily make changes in policy, but inform the members that certain changes are proposed, and give reasons why they believe that this action would benefit the association. Consequently, if a proposal has weaknesses, discussion by and with the members is likely to uncover them. Furthermore, when the policy is finally adopted by the directors, the members feel that it is their policy -- not one that was created by a small group -- and will be in a mood to defend and support it.

3. Is the association under one-man control? Associations, local associations particularly, occasionally are found which are controlled by one individual. This man is usually the manager, but he may be the president, or a strong and aggressive member of the board of directors. An exceptional man, whose policies on the whole serve the interests of the members, may control an association for a number of years and operate it successfully. More often, the arbitrary methods of the individual in control cause dissatisfaction among the members and the association falls apart.

Cooperation means joint effort and joint responsibility. The successful associations we have studied are not under one-man control; if they were, they would not have attained their present success and stability.

4. The "insiders." Occasionally, also, the members of the association believe, rightly or wrongly, that a small group of members, directors or officers, are profiting from the operations of the association, or obtain certain privileges not given to all members. This situation is perhaps most common in associations which employ and pay a salary to members of the board of directors, or whose directors or officers sell property to the association or enter into contracts with it from which they secure a personal profit.

Suspicion that an association is controlled and run for the personal profit of a small group will quickly destroy the organization. If the distrust of the members is unfounded, the management should make public the facts, or invite investigation by a committee of the members.

5. Do members take an active part in association affairs? Oftentimes failure of an association to operate in accordance with the members' wishes is due to a failure of the members to inform themselves regarding the business of the association, or failure to make their wishes known. Probably the majority of members of cooperative associations leave everything to the management. It is only when mistakes of the management cause losses that they take any interest in the association, and they then are likely to criticize severely mistakes for which they were largely responsible and which their more active interest might have prevented.

6. Are farmers in the community good cooperators? There are found in almost every community certain farmers who are not good cooperators. If there are a large number of these in one community, it may be difficult or impossible to carry on a successful cooperative business.

Cooperative associations are now giving considerable attention to the advisability of selecting their members. The usual tests are the quality of the crops or livestock produced by the prospective member, and his reputation as a cooperator. Whether such a policy should be generally adopted is still debatable. In conducting the survey outlined in this article, attention might well be given to the advisability of a "selected-membership" policy for the association under study.

The following bulletins will be found useful in developing such a survey:

Membership Relations of Cooperative Associations (Cotton and Tobacco) U. S. Dept. Agr. Department Circular 407.

Membership Relations of Cooperative Associations (Fluid Milk) U. S. Dept. Agr. Circular 41.

The Marketing Attitudes of Minnesota Farmers. University of Minnesota. Technical Bulletin 45.

A. W. McKay

SUGGESTED READING FOR COOPERATORS, No. 9

"Practical Cooperative Marketing," just off the press, is the latest text book on cooperation. Its authors are A. W. McKay and C. H. Lane; the publishers are John Wiley & Sons, Inc., New York,; and Secretary Jardine of the United States Department of Agriculture contributes the introduction.

Both authors are well known in their special lines of work. Mr. McKay has been connected with the U. S. Department of Agriculture most of the time since 1916. In addition to practical experience as sales manager of a cooperative fruit marketing association, he has, as Marketing Economist in the Department of Agriculture, made comprehensive studies of the work of various kinds of cooperatives. The results of these studies have been published as bulletins dealing with the marketing of cantaloupes, of citrus fruits, and of maple-sap products. Mr. McKay is giving special attention to educational work along cooperative lines and has served as instructor in cooperative marketing schools in Texas, Arkansas, Missouri, Colorado, and Connecticut. He was also an instructor at the fourth session of the American Institute of Cooperation, held at the University of California in the summer of 1928.

Dr. Lane is Chief, Agricultural Extension Service, of the Federal Board for Vocational Education. Formerly a college professor, he entered the U. S. Department of Agriculture in 1911, and has been connected with the Federal Board for Vocational Education since 1917.

The book is timely because the rapid development of the movement in the last decade has awakened a widespread interest and created a demand for more education along this line. It was written especially to meet the needs of students in vocational agriculture and of farmers who want a better understanding of cooperative organizations. With these readers ever in mind the authors have prepared a book which is authoritative and practical. It presents a clear picture of the cooperative movement with all its aims and accomplishments.

Part I tells of the nature and services of cooperative marketing associations in general, points out what they can and can not be expected to do, and outlines a practical procedure for organizing and conducting associations for handling various lines of products. Part II describes in detail the practices and policies of a large number of associations which have operated long enough to prove their worth. Part III is an economic analysis of the movement and discussion of the factors that make for success.

The volume is a valuable contribution to the literature on cooperation. It represents an unprejudiced study of many cooperative enterprises throughout the country, and points the way for further effort.

Chastina Gardner

REPORTED BY THE ASSOCIATIONS

The Illinois Agricultural Mutual Insurance Company reported 10,599 automobile policies in force on November 15, 1928.

Mutual fire insurance at low rates will soon be available to Alabama farmers. The Alabama Farm Bureau Federation, in cooperation with certain other agencies and individuals, is working out plans and announces that a farmers' insurance association will soon be ready to write policies.

Preliminary to the election of directors early in January, the Connecticut Milk Producers' Association, Hartford, is holding 24 district meetings throughout the state. The management urges all members to attend these meetings and assist in nominating men of high character and ability to serve as directors of the organization for 1929.

"Story of the Year 1927-28," continues the series of year books begun several years ago by the Dairymen's League Cooperative Association, Inc., New York City. This number contains a tribute to President Slocum who has retired after eight years of service, the presidential address at the last annual meeting, and reports on the business of the year ending March 31, 1928.

Receipts of cotton by the Oklahoma Cotton Growers' Association, Oklahoma City, had reached a total of 215,120 bales on November 13. This was a larger quantity than the association has ever handled in any one season. Heretofore the high record has been for the 1925-26 season when the association handled 206,442 bales. On the corresponding date last year the members had delivered 87,789 bales.

More than 16 per cent of the livestock received at the St. Boniface, Manitoba, terminal market during a recent month was handled by the Central Livestock Cooperative, Ltd., a farmer-owned sales agency, serving the livestock producers of the three prairie provinces. The 253 cars handled made it the leading selling agency on the market. The next best record was 195 cars, and the third best, 174 cars.

The local units of the United Farmers of Alberta, an organization which is somewhat similar to the Patrons of Husbandry in this country, have been requested by the officers of the provincial organization to prepare written reports reciting their experiences along the lines of cooperative endeavor. The officers believe that considerable valuable information will in this way become available for everyday use.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

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- Downie, Ernest R. Less Talk About Limitations. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 257.
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- Larsen, Dean C. Growth of Co-op Marketing: Human Viewpoint the Limiting Factor. Dakota Farmer, Aberdeen, S. Dak., November 18, 1928, p. 1056.
- Love, J. Russell. Types of Cooperative Creameries. The U. F. A., Calgary, Alberta, October 15, 1928, p. 30.
- Lynch, A. D. A Cooperative Dairy Enterprise. Rural America, New York City, October, 1928, p. 9.
- Maris, Paul V. History of the Oregon Cooperative Council. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 259.
- Moffat, R. J. Combined Members' Opinions Determine New Pool Policies. (Address) Wheat Pool News (Department in Western Producer), Saskatoon, Sask., November 8, 1928, p. 13.
- Moser, C. O. Confidence Builds Cooperatives. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 268.
- Nidever, C. A. Prune Growers' Reorganization Plan. California Cultivator, Los Angeles, Calif., October 13, 1928, p. 360.
- Patton, Harald S. The Selling Policy of the Canadian Wheat Pool: How the Farmer Benefits. Article II. The Annalist, New York City, November 9, 1928, p. 735.
- Peterson, Guy A. Utah Poultry Co-op Shows Healthy Growth. The Western Farm Life, Denver, Colo., November 1, 1928, p. 3.
- A Story of the Inter-State Milk Producers' Association: Its Development and Progress: In Questions and Answers. Milk Producers' Review, West Chester, Pa., November, 1928, p. 2.

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